

# STATE OF COLORADO

## DIVISION OF HOUSING

Kathi Williams, Director

**STATE HOUSING BOARD MEETING**  
**Centennial Building**  
**1313 Sherman St., Denver, CO, Room 318**  
**Tuesday, February 12, 2008**



### AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Suzanne Anarde
	Director's Comments	Kathi Williams

### Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
1:15 p.m.	08-017	Grand Junction Housing Authority Arbor Vista Apartments	Don Hartman
1:30 p.m.	08-034	Delta Housing Authority Villas at the Bluffs Apartments	Rich Englehart
1:45 p.m.	08-035	Rocky Mountain Housing Development Corp. Sheridan Ridge Townhomes	Charles Sauro
2:00 p.m.	08-036	Douglas County Housing Partnership Down Payment Assistance Program	Travis Anderson
2:15 p.m.	08-037	Brother's Redevelopment, Inc. Fairweather Landings Senior Apartments	Frances Hall
2:30 p.m.	08-039	Boulder / Broomfield Counties Down Payment Assistance Program	Kathy Fedler

### Approval Process

2:45 p.m.	08-017	08-034	08-035	08-036	08-037	08-039
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### Other Business

3:00 p.m.	Election of Officers	Kathi Williams
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*Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5657 by February 11, 2008.*

cc:	Susan Kirkpatrick	CHATS	Teresa Duran	Kathi Williams
	Rick Hanger	Lynn Shine	Steve Bernia	State Housing Board Members

**STATE HOUSING BOARD MINUTES**  
**Colorado Division of Housing**  
**1313 Sherman St., Denver, CO, Room 318**  
**Tuesday, January 8, 2008**

**BOARD MEMBERS PRESENT** – Theo Gregory, Sally Hatcher, Jack Kelly, Gene Lucero, Michael Rosser and Karen Weitkunat; Suzanne Anarde by telephone.

**BOARD MEMBERS ABSENT:** None.

**DOH STAFF PRESENT** – Kathi Williams, Stephanie Morey, Shannon Picaso, Autumn Gold, Antoinette Estrada, Doug Selbee, Meghan Duggins, Ryan McMaken, Trang Van

**CALL TO ORDER** – The meeting was called to order by Theo Gregory at 1:00 p.m.

**APPROVAL OF MINUTES:** Minutes of the December 2007 meeting were approved.

**DIRECTOR'S COMMENTS:**

The Legislative Session begins tomorrow, January 9, 2008 and will go for 120 days. The SHB is invited to join a meeting on January 17<sup>th</sup> where DOLA including the Division of Housing will be presenting about what we do to the Joint House and Senate Local Government.

Director Williams has not heard any word on Senate Confirmation, but four of our board members are up for Senate Confirmation. The recommendation has been made by the Governor to appoint Gene Lucero, Karen Weitkunat, Suzanne Anarde and Mike Rosser for terms ending in 2011. Director Williams will send an email off to the Senate Local Government to see when those Confirmation hearings might be.

There are several pieces of Legislation that we are currently working on. It does appear that we have reached an agreement on the Landlord/Tenant Warrant habitability bill. There will also be a funding source bill where the Division of Housing will be acting as a facilitator between the title and bank industry. There are two proposed manufactured housing bills, one is the continuation of education for installers and the second one involves the titling of mobile homes. Currently the titling of mobile homes goes through the Department of Revenue and the industry is asking that it goes through the DOH Manufactured Housing. We don't have an opinion on that bill, we're leaving it strictly up to the Legislature to decide.

Many of you may have noticed that there is a rise in Man Camps where we have the oil and gas developments. Basically large, commercial manufactured housing has been brought in and set up to serve as dormitories. There are three shifts of 25-30 workers living in these particular units. Currently, State Law indicates that the DOH has purview over inspections of commercial buildings if in fact those commercial, manufactured housing units are manufactured or sold in the state of Colorado. Basically many of the large oil and mineral companies are using leased buildings that have been manufactured in Canada. Attorneys have contacted us and indicated that they feel we don't have purview over inspections of those buildings. We told them that was certainly fine and that we would leave it to Local Government to do it. Once they heard that, they then requested that DOH Manufactured Housing Program do the inspections on these buildings. We are currently checking with the Attorney General's office to determine whether there may be a change in the law indicating that Manufactured Housing units for residential or commercial purposes that are either sold, manufactured or leased within the state of Colorado are subject to rules and regulations.

Lastly, we are finally making some progress with private enterprise as they are initiating some partnerships. The North Suburban Board of Realtors and the Metro North Board of Realtors has bought a lot of advertising space which includes some free educational space. They've asked us to provide them with 12 to 15 of instances having to do with foreclosures, housing and affordable housing. Sally Hatcher also recommended incorporating Spanish into these educational clips and it was agreed upon by Director Williams.

#### APPLICATIONS REVIEWED IN JANUARY:

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**Name:**      **Monte Vista Community Center Housing Authority**                      **Project Number: 08-018**  
                  **Sierra Vista Apartments Acquisition**

**Project Manager & Address:**      Mr. Alonzo Espinoza, Jr., Executive Director  
    Monte Vista Community Center Housing Authority  
    P.O. Box 581  
    551 Monroe Street  
    Monte Vista, Colorado 81144  
    (719) 852-5505  
    Fax: (719) 852-9873  
    [mvha04@yahoo.com](mailto:mvha04@yahoo.com)

**Project Address:**      2302 -15 Vigil Way & 2302 -15 Thomas Avenue, Alamosa, Colorado

**Project Description:**      The Monte Vista Housing Authority requests a \$250,000 grant for the acquisition of the privately owned Sierra Vista Apartments in Alamosa, Colorado. This project is a Rural Development project-based rental assistance apartment project built in 1984 that contains a total of 32 units. This project is located within one mile of schools, the hospital, the college, shopping and social services. In addition, bus transportation is available to the property. This property is in good physical condition and the existing replacement reserve is being transferred through this sale. This property serves many households at less than 30% of the Area Median Income through the availability of Rural Development rental assistance for 23 of the units in this project.

**Staff Recommendation:** Full Funding with an additional \$15,000 for a project energy-efficiency review and Housing Authority developer fee.

**Date of Meeting:** January 8, 2008

Anarde	Full Funding per Staff recommendation	Hatcher	Full Funding per Staff recommendation
Gregory	Full Funding per Staff recommendation	Lucero	Full Funding per Staff recommendation
Rosser	Full Funding per Staff recommendation	Weitkunat	Full Funding per Staff recommendation
Kelly	Full Funding per Staff recommendation		

The Board approved full funding per Staff recommendation for this project.

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**Name: Rocky Mountain HDC**  
**The Cornerstone Apartments**

**Project Number: 08-024**

**Project Manager & Address:** Joyce Alms Ransford  
Executive Director  
Rocky Mountain HDC  
142 W 5<sup>th</sup> Avenue  
Denver, CO 80209  
303-561-1870  
Fax: 303-477-1513  
Email: [jalmsranford@rockymountainHDC.org](mailto:jalmsranford@rockymountainHDC.org)

**Project Address:** 1001 Park Avenue, Denver, CO 80205

**Project Description:** Rocky Mountain HDC is requesting a \$500,000 CDOH grant for soft costs in the new construction of the Cornerstone Apartments located at 1001 Park Avenue, Denver, CO 80205. This project consist of a 5 story building with 51 units of rental housing primarily for chronically homeless, homeless individuals and individuals coming out of transitional housing. The structure will have two elevators and structured underground parking. The first floor will have space for residential services, a medical clinic, residential and security offices. The CDOH grant will be matched with funds from the St. Francis Center, Denver's Road Home, City of Denver HNDS and equity funds for a total project cost of \$11,433,771.

**Staff Recommendation:** Full funding

**Date of Meeting:** January 8, 2008

Anarde	Full Funding	Lucero	Full funding
Gregory	Full funding	Rosser	Full funding
Hatcher	Full funding	Weitkunat	Full funding
Kelly	Full funding		

The Board approved full funding for this project.

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**Name: Englewood Housing Authority  
Terraces on Pennsylvania**

**Project Number: 08-028**

**Project Manager & Address:** Dawn Shepherd, Executive Director  
3460 S. Sherman Street #101  
Englewood, CO 80113  
(303) 317-6700  
(303) 781-5503  
[dshepherd@englewoodhousing.org](mailto:dshepherd@englewoodhousing.org)

Jennie Rodgers, Director  
Community Strategies Institute  
3477 W. Hayward Place  
Denver, CO 80211  
(303) 668-2534  
1-866-415-1179 fax  
[jennie@csicolorado.org](mailto:jennie@csicolorado.org)

**Project Address:** 3566, 3578, 3587, 3597 S. Pennsylvania Street

**Project Description:** The Englewood Housing Authority requests a \$300,000 grant to pay off a bridge loan for the construction of the Terraces on Pennsylvania Senior Apartments in Arapahoe County. The 62 units will serve independent senior households (62 and over) at 40% and 50% of AMI. The project will have one five-story elevator structure that will include 40 one-bedroom units and 22 two-bedroom units equipped with a washer and dryer. The building will include 39 ground level parking spaces, storage units, a community room with a kitchen, an exercise facility, outdoor terraces, and a garden area. The project needed a bridge loan due to the following unforeseen costs which included; city use tax, a fire pump, alley paving, floor drains under washers and dryers, and window awnings (solar shading). In addition, the foundation design had to be changed as a result of soft soils and a high water table creating an increase in costs to build drains around the entire perimeter of the building. The units are located in close proximity to shopping, RTD public transportation, churches, Englewood City hall and other government services, Englewood Civic Center, and two blocks South of Swedish Medical Center.

**Staff Recommendation:** No Staff Recommendation; pending information regarding the "Use Tax." Pending explanation of the applicant's qualification to receive a "use tax" exemption.

**Date of Meeting:** January 8, 2008

Anarde	Full funding	Lucero	Full funding
Gregory	Full funding	Rosser	Full funding
Hatcher	Full funding	Weitkunat	Full funding
Kelly	Full funding		

**Note:** The Board approved partial funding of \$180,000 for this project per staff recommendation at the December meeting. However, the Board advised Englewood Housing Authority to try and seek funds through other means such as CHFA. If additional funds are not satisfied elsewhere, come back to the State Housing Board in January to ask for more funds. Englewood Housing Authority was denied by CHFA, therefore they came back to the State Housing Board in January to ask for the remainder of the \$300,000, which is \$120,000. There was discussion made on the convenience of CHFA denying Englewood Housing Authority's request and passing them back to DOH knowing that they could come back and ask for more funds.

The Board approved full funding for this project which is the remaining \$120,000.

**OTHER BUSINESS:****Affordability Policy**

- There were some minor changes made to the format of the policy, however, there were no changes to the wording of the document.
- There was a motion to move forward and adopt this policy.
- The State Housing Board voted and all was in favor.

The meeting adjourned at 2:55 p.m.

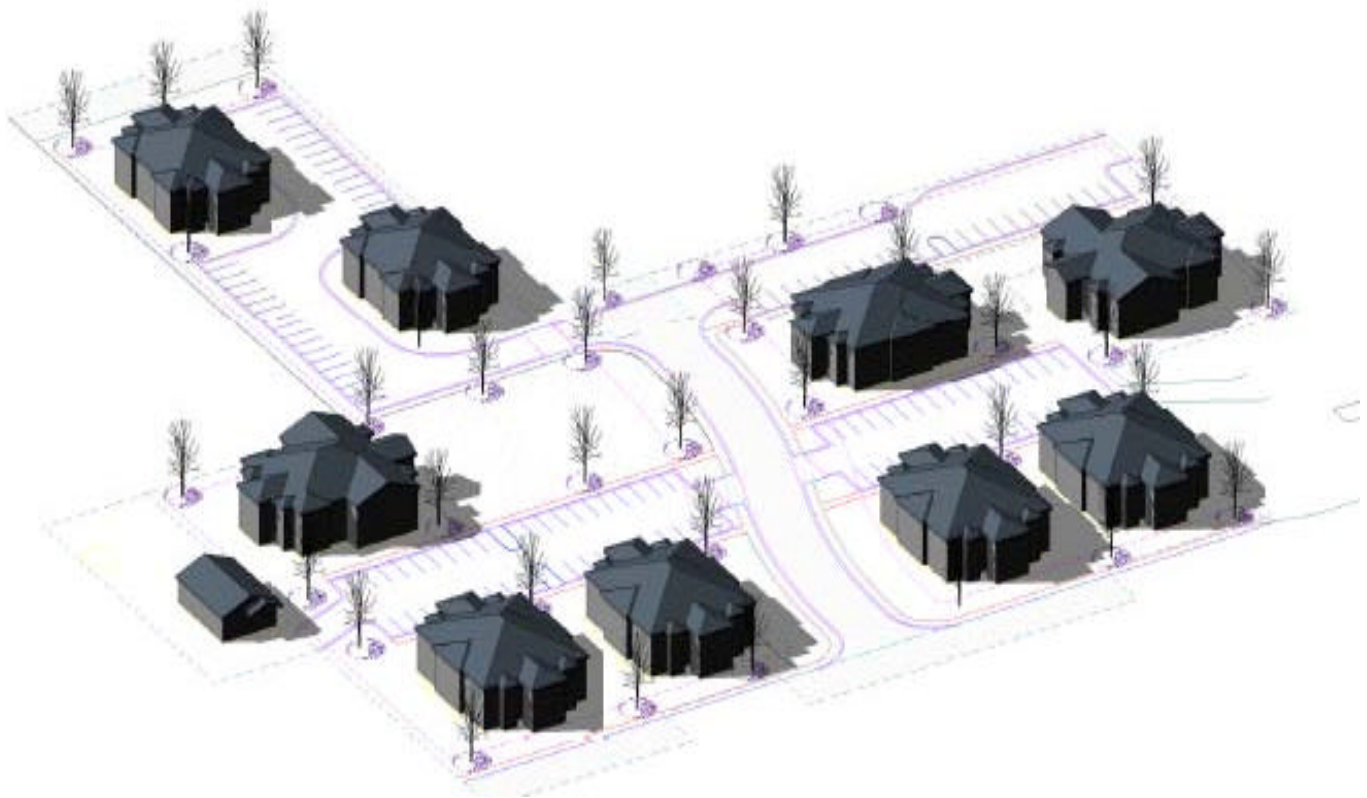
## **February Presentations**

**Name:** Grand Junction Housing Authority (MHC)  
Arbor Vista

**Project Number:** 08-017

**Project Manager & Address:**

Don Hartman, Development Director  
Grand Junction Housing Authority  
1000 N. 10<sup>th</sup> St.  
Grand Junction, CO 81501  
(970) 245-0388  
(970) 254-8347 Fax  
dhartman@gjha.org



**Project Description:** GJHA is requesting a \$1,100,000 grant to construct 72 units of low-income family apartments in the City of Grand Junction. Located in an infill location, the project will use permanent financing from CHFA (\$1,800,000 @6.8%, 20 year 1<sup>st</sup>, and \$325,000 @3%, 20 year 2<sup>nd</sup> – both with 30 year amortization schedule), Low-Income Housing Tax Credits, a FHLB grant, and grants and loans from the City. It will contain three one-bedroom, 3 two-bedroom, and 2 three-bedroom units affordable at 30 % AMI, as well as 9 one-bedroom, 7 two-bedroom, and 2 three bedroom apartments affordable at or below 40% AMI. It will also contain 6 one-bedroom, 14 two-bedroom, and 2 three-bedroom units affordable at or below 50% AMI, and 6 one-bedroom, 16 two-bedroom, and 2 three-bedroom units affordable at or below 60% AMI. The development will be located on approximately 5.3 acres within one block of public transportation, employment, and shopping all within one half mile of schools.

### PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land Acquisition	\$1,097,404		\$1,097,404	LIHTC Proceeds	Committed
Appraisal, Market Study, Soils, Env.	\$79,815		\$79,815	City of GJ	Committed
Building Permit and Tap Fees	\$218,513		\$218,513	City of GJ	Committed
Off Site Infrastructure	\$199,700		\$199,700	City of GJ	Committed
On-Site Infrastructure and Site Work	\$1,323,859		\$873,859	LIHTC Proceeds	Committed
			\$450,000	FHLB AHP	Committed
Construction	\$7,742,585	\$1,100,000	\$6,455,187	LIHTC Proceeds	Committed
Contingency	\$363,500		\$363,500	Perm Loan-CHFA	Committed
Architect, Engineering	\$279,500		\$279,500	LIHTC Proceeds	Committed
Const. Interest, Fees, Taxes, Ins., P. Bond	\$863,765		\$863,765	Perm Loan-CHFA	Committed
Permanent Financing, Legal and LIHTC Costs	\$163,716		\$163,716	City of GJ	Committed
Developers Fee	\$800,000		\$337,908	Perm CHFA	Committed
			\$462,092	Deferred Fee	Committed
Operating Reserves	\$265,600		\$126,770	LIHTC Proceeds	Committed
			\$138,830	Perm Loan CHFA	
Lease-up, Relocation	\$53,024		\$50,000	Perm CHFA	Committed
Totals	\$13,657,981	\$1,100,000	\$12,557,981		



**PROJECT ASSESSMENT FOR Rental New Construction**

Criteria	Project Data	DOH Range
<b>Building Cost</b>		
Cost/sq. ft./Unit Cost	\$185.99/Sq. ft. & \$189,694/Unit	\$120 - \$180
Hard Cost/Unit/Sq. Ft.	\$136.92/Sq. ft. & \$139,655/Unit	\$95 to \$140
Soft Cost/Unit/Sq. Ft.	\$31.12/Sq. ft. & \$34,798/Unit	\$25 to \$40
Hard/Soft Cost	80%/20%	
Land Cost	\$15,241	\$10,000 - \$18,000
<b>Cost Effectiveness Rating</b>		
DOH subsidy/unit	\$15,278	\$4,000 to \$10,000
Cost Person Rating	6 / \$1,423 / xx years	1 to 10 Scale
Externality Rating	8	1 to 10 Scale
Rent Savings Rating	5 /25%	1 to 10 Scale
Financial Leveraging Rating	10	1 to 10 Scale
Composite Score	29	
<b>Operating Cost</b>		
PUPA	\$3,835	\$3,200 to \$4,200
Debt Coverage Ratio	1.15	1.10 to 1.20
<b>Financial Commitments</b>		
Terms of Primary Financing	CHFA; \$1,800,000, 6.8%, 30 years	
P.V. Tax Credits	.	\$.85 to .95
<b>DOH Requirements</b>		
Priority	Special Needs, High Growth	
Eligibility Criteria	HOME, HDG, RLF Fund	
<b>Other Criteria</b>		
# of Fully Accessible Units	5 - 7 Percent of Units	5% of Units Minimum
# of Visitable Units	36 - 50 Percent of Units	All units Encouraged
# of Energy Star Units	72 – 100 Percent of Units	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	yes	Follow Denver Water Board Recommendations
# of 30% Units	8 - 11 Percent of Units	5% of Units Encouraged

## **Comments:**

### **Management Capacity**

**Pro:** The GJHA currently manages 880 Housing Choice Vouchers, administers 15 Domestic Violence Vouchers, and administers 35 vouchers transferred from other jurisdictions. GJHA currently owns and operates 339 apartment units, including Crystal Brook and Linden Pointe a 2003 tax credit project developed by the authority. They have partnered with Enterprise a tax credit partner. This is a design-build contract, which will utilize Shaw Construction and Odell Architects, who have built over 3,000 affordable housing units for non-profits or housing authorities. It takes advantage of the previous design for Linden Pointe by Odell.

**Con:** None

### **Public/Private Commitment**

**Pro:** Mesa County and Grand Junction partnered to complete a county-wide needs assessment, and along with Fruita and Palisade are developing a regional implementation strategy to meet the needs indicated. The city and county have included affordable housing as a component of recently adopted master plans. The City of Grand Junction has agreed to contribute a total of \$712,000 to the project and has facilitated development approval. They will also provide a 215,000 loan to the project.

**Con:** None.

### **Market Demand**

**Pro:** The market study indicated an immediate need for 1,080 rental units and 589 home ownership units affordable to those at or below 80% AMI. The study projects a need for an additional 5,000 units by 2010. In the past three years, vacancy in the Grand Junction market has ranged from 2.3% to 3.5%. The market study adjusted for that factor, resulting in a 5% vacancy estimate. No new units are being built, and no rent concessions are being offered in market-rate apartments. GJHA-owned units have no vacancy and a waiting list of over 1,300 families for low-income or rental assisted units. The market study provided an in-depth analysis of comparable properties, and suggested apartment size and rent levels for maximum absorption.

**Con:** None

- **Explain Variances from ranges** – The CDOH subsidy per-unit far exceeds the suggested range and is even greater than the \$12,500-per-unit CDOH subsidies recently granted to other Western Slope projects. The gap is driven by the high cost of construction in a market area where materials and labor are drawn to surrounding mountain resort towns and the energy-related boom in single-family-home construction occurring in these oil and gas producing counties. This project spreads the cost of LIHTC syndication, accounting, and legal costs over only 72 units,

resulting in a high soft cost per-unit. Land costs are high due to strong demand for developable land for single-family construction.

**Projects funded in Mesa County since 1/07:** Down Payment Assistance HRWC - \$258,000

**Projects funded for GJHA since 1/07:** None

**Staff Recommendation:** Full Funding

**Date of Meeting:** February 12, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

Spreadsheet directions are to the right --->

## Operating Proforma

unit avg. = 300

\*Note:

**Name:** Delta Housing Authority (DHA)  
Villas at the Bluff

**Project Number:** 08-034

**Project Manager & Address:**

Rich Englehart, Executive Director  
Delta Housing Authority  
511 E. 10<sup>th</sup> St.  
Delta, CO 81418  
(970) 874-7266  
(970) 874-6612 Fax  
[dhaed@bresnan.net](mailto:dhaed@bresnan.net)



**Project Description:** DHA is requesting a \$1,000,000 grant to construct 48 units of low-income family apartments in the City of Delta. The project will use permanent financing from a CHFA SMART loan (7.05%, 20-year, 30-year amortization), Low-Income Housing Tax Credits, an AHP grant, grants and fee waivers the City and County, and owner equity from DHA. It will contain one one-bedroom, one two-bedroom, and one three-bedroom units at 30 % AMI, as well as 3 one-bedroom, 10 two-bedroom, and 7 three-bedroom apartments affordable at or below 50% AMI. It will also contain 4 one-bedroom, 13 two-bedroom, and 8 three-bedroom units affordable at or below 60% AMI. The development will be located on 8 acres within one mile of employment, shopping, and schools, and will include a community center building of about 2,500 square feet.

### PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land Acquisition	\$500,000		\$487,301	DHA Equity	Committed
			\$12,699	LIHTC Proceeds	Committed
Appraisal, Market Study, Soils, Env.	\$35,000		\$35,000	LIHTC Proceeds	Committed
Building Permit and Tap Fees	\$330,000		\$75,000	Delta, Delta Co.	Committed
			\$255,000	LIHTC Proceeds	Committed
Off-Site Infrastructure	\$250,000		\$250,000	LIHTC Proceeds	Committed
On-Site Infrastructure and Site Work	\$550,000		\$550,000	LIHTC Proceeds	Committed
Construction	\$4,467,000	\$1,000,000	\$1,125,000	CHFA SMART	Committed
			\$2,342,000	LIHTC Proceeds	Committed
Contingency	\$400,000		\$400,000	LIHTC Proceeds	Committed
Architect, Engineering	\$217,655		\$217,655	LIHTC Proceeds	Committed
Const. Interest, Fees, Taxes, Ins., Bonding	\$415,000		\$415,000	FHLB AHP Grant	Pending
Permanent Financing, Legal and LIHTC Costs	\$229,645		\$229,645	LIHTC Proceeds	Committed
Developers Fee	\$1,030,000		\$538,219	LIHTC Proceeds	Committed
			\$550,000	Deferred	Committed
Operating Reserves	\$75,500		\$75,500	LIHTC Proceeds	Committed

Marketing, Lease-up	\$20,000		\$7,053 \$12,947	LIHTC Proceeds FHLB AHP	Committed Pending
Totals	\$8,519,800	\$1,000,000	\$7,519,800		

**PROJECT ASSESSMENT FOR Rental New Construction**

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	\$171.43/Sq. ft. /\$177,496/Unit	\$120 - \$180
Hard Cost/Unit/Sq. Ft.	\$114.03/Sq. ft. / \$118,063/Unit	\$95 to \$140
Soft Cost/Unit/Sq. Ft.	\$47.34/Sq. ft. / \$49,017/Unit	\$25 to \$40
Hard/Soft Cost	71%/29%	
Land Cost	\$10,417	\$10,000 - \$18,000
Cost Effectiveness Rating		
DOH subsidy/unit	\$20,833	\$4,000 to \$10,000
Cost Person Rating	7 / \$1,092 / 50 years	1 to 10 Scale
Externality Rating	8	1 to 10 Scale
Rent Savings Rating	3 / 15%	1 to 10 Scale
Financial Leveraging Rating	9	1 to 10 Scale
Composite Score	27	
Operating Cost		
PUPA	\$4,148	\$3,200 to \$4,200
Debt Coverage Ratio	1.19	1.10 to 1.20
Financial Commitments		
Terms of Primary Financing	CHFA; \$1,125,000, 7.05%, 30yr	
P.V. Tax Credits	.90	\$.85 to .95
DOH Requirements		
Priority	Special Needs, High Growth	
Eligibility Criteria	CDBG, HOME, HDG	

Other Criteria		
# of Fully Accessible Units	3 / 6.5%	5% of Units Minimum
# of Visitable Units	24 / 50%	All units Encouraged
# of Energy Star Units	48 / 100%	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	yes	Follow Denver Water Board Recommendations
# of 30% Units	3 / 6.5%	5% of Units Encouraged

### Comments:

#### Management Capacity

**Pro:** DHA has long-term experience in ownership and operation of rental property including Public Housing and Senior Housing projects. They have operated the Section 8 Voucher program, and for the last three years have managed a Revolving Loan Fund providing mortgages for Single Family Owner Occupied Rehabilitation. In 2008 they will expand RLF activity to include Down Payment Assistance loans and will increase the area served to nearby counties. DHA has a comprehensive development agreement with MGL Partners specifying full development management services from them. MGL Partners is a newer firm with four tax credit projects developed, but the partners bring considerable experience from their previous firms. Enterprise Community Investment has offered to purchase the tax credits and will honor their commitment up to a June 30 closing. They have purchased credits on three recent projects in adjacent counties. The Monroe Group will manage the project and they bring extensive experience including the current management of two tax credit projects in adjacent Montrose County.

**Con:** None

#### Public/Private Commitment

**Pro:** The City of Delta is waiving \$50,000 in permit fees and Delta County is contributing \$25,000 in cash to the project. The Delta Housing Authority is providing \$497,301 in equity to the project, partly from the proceeds of liquidated single family rental housing. Vectra Bank is sponsoring the Federal Home Loan Bank Affordable Housing Program grant and the Topeka Branch representative has indicated that the project meets their scoring criteria in a manner that indicates high probability for funding at the proposed level.

**Con:** None.

#### Market Demand

**Pro:** Between 2000 and 2005 the number of employed persons in Delta County increased by 36% and has continued to grow at a rate of about 6% per year, as evidence of a strong and growing



economy fueled in part by natural gas and coal-bed methane exploration. Renter households have grown to over 1,500 in a market area where the last new apartment construction was a Senior Independent Living facility in 1995. Most apartments are over 25 years old. Nearly sixty percent of the renter households have incomes below 60% of area median income. The county-wide vacancy rate for apartments is 2.6%, and no vacancies are currently being reported in the City. DHA has a waiting list of 220 households, of which 38 are elderly. Only 151 income restricted rental units exist in the market area, and the 2007-updated needs assessment indicated existing demand for 257 affordable rental units.

**Con:** None

- **Explain Variances from ranges** – The CDOH subsidy per-unit far exceeds the suggested range and is even greater than the \$12,500-per-unit CDOH subsidies recently granted to other Western Slope projects. This gap is due to very low income levels for Delta County and the low rents achievable to service debt in a market dominated by much older apartments. The gap is further driven by the high cost of construction in a market area where materials and labor are drawn to surrounding mountain resort towns and the energy-related boom in single-family-home construction occurring in these oil and gas producing counties. This project spreads the cost of LIHTC syndication, accounting, and legal costs over only 48 units, resulting in a very high soft cost per-unit. Land costs are high due to strong demand for developable land for single-family construction.
- **Other Projects funded in Delta County Since 1/07: Single Family Owner-Occupied Rehabilitation - \$84,934, Down Payment Assistance - \$46,730**
- **County AMI: \$53,900**
- **Other Delta Housing Authority projects funded since 1/07: SFOO Rehab - \$84,934 and Down Payment Assistance - \$46,730**

**Staff Recommendation:** Full Funding

**Date of Meeting:** February 12, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

Spreadsheet Version: 1 Operating Proforma

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

**Name:** Rocky Mountain Housing Development Corporation      **Project Number:** 08-035  
Sheridan Ridge Townhomes

**Project Manager & Address:** Charles Sauro, Director of Asset Mgmt & Development  
Rocky Mountain HDC (RMHDC)  
142 W. 5<sup>th</sup> Ave  
Denver, CO 80209  
(303) 831-4363  
(303) 698-7828  
csauro@rockymountainhdc.org

**Project Photo:**



**Project Address:** 5275 W. 66<sup>th</sup> Ave, Arvada, CO

**Project Description:** Rocky Mountain HDC (RMHDC) requests a \$275,000 grant to preserve the affordability of this mixed-income apartment complex by establishing an operating reserve. CDOH previously funded a \$202,767 cash-flow loan (at 4% interest) to fund a start-up operating reserve. Sheridan Ridge Townhomes has 65-units, and is located at 66<sup>th</sup> and Sheridan – a highly visible spot with good access to transportation, jobs, schools, etc. It was built in 2002 under the LIHTC program by a partnership of The Uptown Partnership and Peregrine Property Trust LLC, a for-profit developer. Peregrine remains part of the ownership structure, and is working to bring RMHDC in as a new co-general partner. The property was never able to achieve the market rents expected in 2002, and the first mortgage is FHA insured, so it cannot be restructured. Although it remains current on its first mortgage payments, projections show that it will not continue to without a substantial operating reserve account. The amount of that reserve is expected to see the project through to a time when the first mortgage can be refinanced in 2013. RMHDC has managed the property since August 2006.

### AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Denver Metro)
<u>CDOH HOME-Assisted Units</u>		
(0) 1BR, (0) 2BR, (0) 3BR, (0) 4BR	0	≤ 50% of AMI (\$35,850)
(0) 1BR, (1) 2BR, (1) 3BR, (0) 4BR	2	≤ 60% of AMI (\$43,020)
<u>Other Affordable Units</u>		
(2) 1BR, (2) 2BR, (1) 3BR, (0) 4BR	5	≤ 50% of AMI (\$35,850)
(1) 1BR, (12) 2BR, (8) 3BR, (4) 4BR	25	≤ 60% of AMI (\$43,020)
(0) 1BR, (5) 2BR, (9) 3BR, (5) 4BR	19	≤ 100% of AMI (\$71,700)
<u>Employee (0) &amp; Market Rate Units</u>		
<u>(13)</u>	14	unrestricted
(0) 1BR, (9) 2BR, (4) 3BR, (1) 4BR		
<u>Total Units</u>	65	

### PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
2003 Total Development Cost	10,160,453		6,750,000	CHFA – PAB 1 <sup>st</sup> mortgage	committed
			478,000	CHFA – HOF	committed
			1,451,693	Key Bank – LIHTC equity	committed
			540,000	City of Arvada	committed
			363,900	Jefferson County	committed
			202,767	CDOH HOME loan	committed
			374,093	Deferred Developer Fee	committed
Operating Reserve	800,000	275,000	275,000	Key Bank – equity	committed
			50,000	CHFA – HOF	committed
			200,000	RMHDC – equity	committed
Totals	10,960,453	275,000	10,685,453		

### PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data		DOH Range
Building Cost			
Cost/Unit/Sq. Ft.	\$168,622 /Unit	\$160.40 /SF	\$120 to \$180
Hard Cost/Unit/Sq. Ft.	\$156,315 /Unit	\$148.69 /SF	\$95 to \$140
Soft Cost/Unit/Sq. Ft.	\$12,308 /Unit	\$11.71 /SF	\$25 to \$40
Land Cost/unit	\$0 /Unit		\$10,000 to \$18,000
Hard/Soft Cost	93% Hard	7% Soft	
Cost Effectiveness Rating			
CDOH subsidy/unit	\$7,350 including previous funds		\$4,000 to \$10,000
Annual Cost/Person & Rating	\$1,075	7 0 yrs	1 to 10 Scale
Externality Rating	6		1 to 10 Scale
Rent Savings Rating	-5% 0		1 to 10 Scale
Financial Leveraging Rating	22 10		1 to 10 Scale
Composite Score	23		1 to 40 Scale
Operating Cost			
PUPA	\$4,147		\$3,700 to \$4,700
Annual Replacement Reserve	\$250 Per unit		\$300 (\$250 for seniors)
Debt Coverage Ratio	0.83		1.10 to 1.20
Capitalized Operating Reserve	\$800,000 12.6 months		4 months debt & operating costs
Financial Commitments			
Terms of Primary Financing	0.0% 0 years		
P.V. Tax Credits	n/a		\$.85 to .95
Other Criteria			
Fully Accessible Units	#4 / 6%, plus clubhouse		5% of Units Encouraged
Visitable Units	#4 / 6%, plus clubhouse		All units Encouraged
Energy Star Units	N/A		Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	N/A		Denver Water Board Recommendation
30% AMI Units	#0 / 0%		5% of Units Encouraged
CDOH requirements			
Priority	High Growth, Preservation		
Eligibility Criteria	HDG		

**Comments:****Management Capacity****Pro:**

RMHDC has developed affordable rental housing since 1995, and owns & operates 3 tax credit projects with 192 units. A significant portion of their units are for 30% & 40% AMI families, and they offer supportive services to all of their residents. Their latest development is just a few blocks north of Sheridan Ridge. It opened in October 2005 & leased up quickly, at a rate of 8 units/month. RMHDC has managed Sheridan Ridge Townhomes since October of 2006. Analysis of the 2005/2006 Audit & 2007 Profit & Loss statements shows that revenues have increased and expenses have decreased since 2005, and it is currently fully occupied.

**Con:** None.

**Public/Private Commitment****Pro:**

All of the major funding sources for this project have agreed to contribute to an operating reserve for this project. Key Bank, the tax credit investor, will provide \$275,000 of additional equity. CHFA, the first mortgage holder, will add \$50,000 to its second-position HOF loan and also relax the repayment terms on that loan. Although the City of Arvada will not add funds, it has relaxed the repayment terms on its loan.

RMHDC will provide \$200,000 of its own equity.

The City of Arvada and Jefferson County both made significant contributions to help build this project. Arvada provided \$540,000 as a low-interest loan and their housing authority also became a special limited partner so that the project would be exempt from real estate taxes. Jefferson County granted \$363,900.

**Con:** None.

**Market Demand****Pro:**

Key Bank commissioned a market study in June 2006. It concluded that although the affordable units should be easy to keep full, it would be difficult to fill the 100% AMI and market-rate units without lowering the proforma rents to more closely match the rents they were actually achieving.

The Arvada and Jefferson County Housing Authorities both refer Section 8 clients to this project. Sheridan Ridge currently has 32 tenants with rental subsidy, and 14 of them occupy either market rate or 100% AMI units.

**Con:** None.

**Explain Variances from ranges:**

- Hard Costs per square foot are high (& soft costs are low) because they include all of the original development costs – including the original soft costs. In reality, 20% of the original budget was for soft costs.

**Other projects funded in Jefferson County since 2/07:**

- 7/07 – JCHA/Aspen Ridge Apts Acquisition/grant \$560,000
- 7/07 – JCHA/Redwood Village Apts Acquisition/grant \$245,000

**Other projects funded for Rocky Mountain HDC since 2/07:**

- 12/07 – RMHDC/Cornerstone Apartments New Construction/grant \$500,000

**Jefferson County AMI:** \$71,400

**Staff Recommendation:** Full Funding

**Date of Meeting:** February 12, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

# COLORADO DIVISION OF HOUSING \* HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name:

Sheridan Ridge

Spreadsheet directions are to the right

Date:

2/12/2008

Applicant:

RMHDC

PAGE #1

Spreadsheet Version:

SHB 2/12/08

Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES			
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses			
1Br/1Ba	50%	2	575	520	12,480	Management Fee	34,446		
1Br/1Ba	60%	1	575	530	6,360	On-site Personnel Payroll	28,000		
						Health Ins. & Benefits	10,475		
2Br/1Ba	mkt	2	984	755	18,120	Legal & Accounting	10,863		
2Br/2Ba	50%	2	1,004	765	18,360	Advertising	1,000		
2Br/2Ba	60%	6	1,004	765	55,080	Office Supplies & Expense	4,424		
2Br/2Ba	100%	2	1,004	765	18,360	Telephone	3,240		
2Br/2Ba	mkt	3	1,004	765	27,540	Bad Debt	7,240		
2Br/1.5Ba	60%	7	1,052	865	72,660	Desk Staff	29,876		
2Br/1.5Ba	100%	3	1,052	885	31,860	Total Administrative Expenses	129,564		
2Br/1.5Ba	mkt	4	1,052	900	43,200	Operating Expenses			
						Utilities (owner paid)	32,436		
						Trash Removal	7,650		
3Br/2.5Ba	50%	1	1,258	900	10,800	Fire & Liability Insurance	18,000		
3Br/2.5Ba	60%	9	1,285	900	97,200	Security	500		
3Br/2.5Ba	100%	9	1,285	1,115	120,420	Total Operating Expenses	58,586		
3Br/2.5Ba	mkt	4	1,285	1,115	53,520	Maintenance			
4Br/2.5Ba	60%	4	1,513	1,160	55,680	Maintenance	22,000		
4Br/2.5Ba	100%	5	1,513	1,160	69,600	Repairs	18,000		
4Br/2.5Ba	mkt	1	1,513	1,160	13,920	Grounds (inc. snow removal)	24,500		
						Other	674		
	Total units	65	Total Rent Income		725,160	Total Maintenance	65,174		
	Total sq ft	67,053				Real Estate Taxes	0		
			Parking Income		0	Operating Reserve			
			Laundry Income		0	Replacement Reserve	16,250		
			Other Income		0	TOTAL ANNUAL EXPENSES	269,574		
			Total Income		725,160	NET OPERATING INCOME	405,632		
	Vac. Rate	0.07	Less Vacancy		-49,954	P.U.P.A. Expenses *	4,147		
	Effective Gross Income				675,206	* P.U.P.A = Per Unit Per Annum Expenses			
DEBT SERVICE									
1st Mortgage						(491,636)	AMI		
2nd Mortgage							# units		
3rd Mortgage							% of units		
TOTAL DEBT SERVICE						(491,636)	50%	5	7.7%
							60%	27	41.5%
							100%	19	29.2%
							mkt	14	21.5%
								65	100.0%
BEP		104.97%	Poss D/S @ 1.1 DCR		368,756				
BEP = Break Even Point		Project Debt Coverage Ratio		0.825					

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

This Proforma: \* P&L for 2007 shows:

725,160	\$711,271	in actual gross potential rent income
7.00%	3.34%	actual vacancy rate (including minimal concessions)
675,206	\$694,013	in total net revenue (+other income, -vacancies)
253,324	\$254,184	of actual operating expenses (w/o replacement reserves)
405,632	\$439,829	Net Income, before debt service

\*Dec 2007 rent roll shows all units occupied, with annual gross rent potential of \$703,548 (compared to \$711,271 for year ending in 12/07)

AMI	# units	% of units
50%	5	7.7%
60%	27	41.5%
100%	19	29.2%
mkt	14	21.5%
	65	100.0%



**Name:** Douglas County Housing Partnership  
Down Payment Assistance Program

**Project Number:** 08-036

**Project Manager & Address:**

Mr. Travis Anderson  
Single Family Programs Manager  
Douglas County Housing Partnership  
9350 Heritage Hills Circle  
Lone Tree, Colorado 80124  
(303) 784-7857 telephone  
(303) 814-2966 fax  
[tanderso@douglas.co.us](mailto:tanderso@douglas.co.us)

**Project Photos:**



**Project Address:** Various in Douglas County

**Project Description:** The Douglas County Housing Partnership (DCHP) is requesting a \$400,000 grant to continue their existing down payment assistance program by providing a minimum of Forty-three (43) additional down payment assistance loans in Douglas County in a twenty-four (24) month period (January 2008 through December 2009). These grant funds will be used to provide low-interest Down Payment Assistance loans to first-time homebuyers (all deferred for 5 years, 30-year fixed @ 3%). The DCHP partnership provides the first-time homebuyer classes through their CHFA approved staff facilitator and CHFA services the loans. Participants in this program must have resided in Douglas County for the previous 12 months or currently work in Douglas County at least 20 hours a week.

**PROGRAM BUDGET**

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Home Mortgages Leveraging Estimate	\$7,935,000		\$7,935,000	Mortgage Lenders	Pending
Down Payment Assistance	\$665,000	\$400,000	\$150,000 \$115,000	Douglas Cnty - CDBG Douglas Cnty - CIL	Committed Committed
Program Administration Including Home Buyer Counseling	\$190,250		19,000 \$14,250 \$10,000 \$10,500 \$72,120 \$64,380	Douglas Cnty – Office Space CHFA Corporate (Bank/CARHOF) Fundraising, Corporate CDOH-H7HOM07011 Douglas Cnty - CDBG	Committed Pending Pending Pending Committed Pending
Totals	\$8,790,250	\$400,000	\$8,390,250		

**Staff Allocation Plan**

Staff Position	Total Salary & Fringe	% of Time (Home Ownership)	% of Time (Oakwood Apartments)	% of Time (General Multi-Family)
Single Family Prog. Manager	\$118,500	100%		
Finance Manager	\$76,000	25%	25%	50%
Exec. Director	\$180,000	10%	0%	90%
<b>Totals</b>	<b>\$374,500</b>	<b>\$155,500</b>	<b>\$19,000</b>	<b>\$200,000</b>

**PROJECT ASSESSMENT FOR DOWNPAYMENT ASSISTANCE**

Criteria	Project Data	DOH Range
<b>(a) Down Payment Financing</b>		
Value of Current Loan Portfolio	\$671,529	
Total # of Loans in Portfolio	45	
# of Deferred Loans in Portfolio	44	
Value of Loans Deferred until Sale or Transfer	\$0 0% of Portfolio Value	Up to 50% (100% can be deferred up to 5 yrs)
Annual Program Income	\$670 estimated first year	
Total # of New Loans	43 Projected	
New Loans from Program Income	None 9 from CDBG Grants (Douglas Cty)	
New Loans from CDOH Grant	34	
Homebuyers Equity	\$1,000	\$500 minimum
Maximum CDOH Loan Amount	Up to \$20,000 4.1% (at or below 65% AMI) and; \$14,999 3% (between 66% - 80% AMI)	4.5% - 8.5% of FHA Limit
Loan Terms & Rates	30-year fixed @ 3%, 5-yr deferred pmt	
Market		
Qualifying Household Income	\$35,850 - \$57,350	50%-80% AMI, 4 people
# of Affordable Homes For Sale	243 at or below \$200,000	Affordable at 80% AMI
Average price of homes for sale	\$313,135	
Max. Purchase Price of Homes	\$308,370	FHA Limit
# of Applicants on Waiting List	No waiting list	
Geographic Distribution of Projects vs. Population	Douglas County	
Program Operations		
Administrative Cost/New Loan	\$4,424/loan	\$300 – 500 per new loan or actual admin cost
CDOH Funding Eligibility	HOME	

**Comments:**

## Management Capacity

### **Pro:**

1. The Douglas County Housing Partnership (DCHP) was created in 2003 and is the first multijurisdictional housing authority created in Colorado. The mission of the DCHP is the preservation and development of affordable housing in Douglas County. DCHP currently operates a Down Payment Assistance Program, is the owner of the Oakwood Senior Apartments in Castle Rock and is a special limited partner in Lincoln Pointe Lofts Phase I & II and the Reserve at Castle Highlands.
2. The DCHP has operated a CDOH funded Down Payment Assistance Program for the last three years and has provided forty-five (45) Down Payment Assistance loans in the community. This Program continues to attract more households as the demand and growth increases.

**Con:** None.

## Public/Private Commitment

### **Pro:**

1. Douglas County has committed \$150,000 of CDBG funds to this project for the current fiscal year (through July 2008) and will consider a request for additional CDBG funds for fiscal year 2007. In addition, the County provides free office space to the DCHP at an estimated value of \$19,000/year. The County plans to continue administrative funding in future budget requests.
2. The DCHP receives in-kind support from local lenders and realtors (through co-facilitation of the DCHP's First-Time Homebuyers' Education Class), the Southeast Business Partnership (SEBP) (through marketing assistance), and through General fund contributions from the participating jurisdictions; Douglas County, Town of Parker, City of Lone Tree and the Town of Castle Rock.

**Con:** None.

## Market Demand

### **Pro:**

1. Many individuals that work in Douglas County cannot afford to reside in the County. For example, the Douglas County School District, the largest employer in the County, has estimated that 50% of their teachers cannot afford to live in the County. The DCHP is collaborating directly with the school district to provide home buying opportunities for its employees in Douglas County.
2. The average sales price for single-family homes in Douglas County has increased 49% since 2000 to the current price of \$410,186, and the average sales price for townhouses and condominiums has risen 36% since 2000 to the current price of \$216,083. Homes sales remain strong in this county, this, coupled with the fact that only 14.2% of the Douglas County housing stock is affordable to those at 80% AMI or less, creates the demand for this Program.

**Con:** None.

- Explain Variances from Ranges:  
None.

**Other Projects funded in Douglas County since 11/06:**

- 07-011 – Douglas County Housing Partnership – DPA Program - HOME – 11/2006 - \$400,000
- 07-037 – Developmental Pathways – Acq./Rehab – HOME – 1/2007 - \$312,000
- 08-015 – Douglas County Housing Partnership – New Const. – HOME – 11/2007 - \$580,000

**Other Douglas County Housing Partnership Projects funded projects since 11/06:**

- 07-011 – Douglas County Housing Partnership – DPA Program - HOME – 11/2006 - \$400,000

**Douglas County AMI:** \$71,400

**Staff Recommendation:** Full Funding

**Date of Meeting:** February 12, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

**Name:** Brothers Redevelopment, Inc.  
Fairweather Landings Senior Apartments

**Project Number:** 08-037

**Project Manager & Address:**

Mary Ann Shing  
President  
Brothers Redevelopment, Inc.  
2250 Eaton Street, Garden Level, Suite B  
Denver, CO 80214  
(303) 685-4208  
(303) 274-1314 Fax  
shing@briathome.org

Frances Hall  
Fairweather Landings LLC, Manager  
Trademark Communities  
P.O. Box 61049  
Denver, CO 80206  
(303) 588-3677  
1-866-302-7284 Fax  
fhall@trademarkcommunities.com



EAST ELEVATION



NORTH ELEVATION



WEST ELEVATION



SOUTH ELEVATION



**Project Address:** 10401 Motsenbocker Rd., Parker, CO 80134

**Project Description:** Brothers Redevelopment, Inc. is requesting a \$400,000 grant which will be loaned to Fairweather Landings LLC to assist with the construction of Fairweather Landings Senior Independent Living Apartments located at 10401 Motsenbocker Road in Parker (Douglas County). 75 of the 110 units will serve Independent Senior households (55 and over) at or below 60% of AMI. The structure of the building will be designed in an "E" shaped consisting of 2-stories and 4 elevators. The structure will include 33 one-bedroom/1 bath units and 77 two-bedroom/1.5 baths units equipped with a washer and dryer, and patios or balconies. The building will include 141 parking spaces, storage units, a community/recreation center, laundry facility, a beauty salon, and courtyard patios. The building will also include Energy Star appliances, vinyl windows with 1" insulated glazing, R-19 insulation, heating and cooling systems, water detention, and xeriscaping landscape. The unit breakdown is as follows:

<b><u>HOME-Assisted Units</u></b>		
(1) 1BR, () 2BR, () 3BR	1	≤ 60% of AMI (\$43,020)
() 1BR, (2) 2BR, () 3BR	2	≤ 60% of AMI (\$43,020)
	3	
<b><u>Other Affordable Units</u></b>		
(2) 1BR, (2) 2BR, () 3BR	4	≤ 30% of AMI (\$21,500)
(12) 1BR, (6) 2BR, () 3BR	18	≤ 40% of AMI (\$28,680)
(13) 1BR, (20) 2BR, () 3BR	33	≤ 50% of AMI (\$35,850)
(5) 1BR, (12) 2BR, () 3BR	17	≤ 60% of AMI (\$43,020)
	72	
<b><u>Market Rate Units</u></b>		
() 1BR, (35) 2BR, () 3BR	35	Market Rate
<b><u>Total Units</u></b>	110	

### PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Sources	Status
Land Acquisition	\$1,750,000		\$1,750,000	US Bank / LIHTC	Committed
Appraisal, & Market Study	\$27,000		\$27,000	US Bank / LIHTC	Committed
Building Permits & Tap Fees	\$466,000		\$466,000	US Bank / LIHTC	Committed
Construction	\$10,278,285	\$400,000	\$9,878,285	US Bank / LIHTC	Committed
On-site Infrastructure	\$675,000		\$675,000	US Bank	Committed
Contingency	\$800,000		\$800,000	US Bank / LIHTC	Committed
Architectural & Engineering	\$294,900		\$294,900	US Bank / LIHTC	Committed
Construction Financing Fees	\$1,082,339		\$982,339 \$100,000	US Bank / LIHTC Douglas County	Committed Pending
Permanent Financing Fees	\$225,011		\$225,011	US Bank / LIHTC	Committed
Developer Fee	\$1,656,477		\$501,486 \$1,154,991	LIHTC Deferred Developer Fee	Committed Committed
Operating Reserve	\$592,400		\$592,400	US Bank / LIHTC	Committed
Landscaping	\$100,000		\$100,000	LIHTC	Committed
Totals	\$17,947,412	\$400,000	\$17,547,412		

### PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	\$139/Sq. ft. & \$163,158/Unit	\$120 - \$180
Hard Cost/Unit/Sq. Ft.	\$96/Sq. ft. & \$111,994/Unit	\$95 to \$140
Soft Cost/Unit/Sq. Ft.	\$30/Sq. ft. & \$35,256/Unit	\$25 to \$40
Hard/Soft Cost	76%/24%	
Land Cost Per Unit	\$15,909	\$10,000 - \$18,000
Cost Effectiveness Rating		
DOH subsidy/unit	\$3,636	\$4,000 to \$10,000
Cost Person Rating	6 / \$1,600 / 40 years	1 to 10 Scale
Externality Rating	4	1 to 10 Scale
Rent Savings Rating	6 / 31%	1 to 10 Scale
Financial Leveraging Rating	10	1 to 10 Scale
Composite Score	26	
Operating Cost		
PUPA	\$3,556	\$3,700 to \$4,700
Debt Coverage Ratio	1.15	1.10 to 1.20
Financial Commitments		
Terms of Primary Financing	US Bank, \$9,350,600, 6.89%, 30 years	
P.V. Tax Credits	.915	\$.85 to .95
DOH Requirements		
Priority	Special Needs – Independent Senior Housing	
Eligibility Criteria	HOME, HDG	
Other Criteria		
# of Fully Accessible Units	7 & 6.4% of Units	5% of Units Minimum
# of Visitable Units	110 & 100%	All units Encouraged
# of Energy Star Units	110 & Percent of Units	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	Yes –xeriscaping	Follow Denver Water



		Board Recommendations
# of 30% Units	4 & 3.64 % of Units	5% of Units Encouraged
Replacement Reserve/Unit	\$300/unit	\$300 (\$250 for senior rental new construction)
Operating Reserve	5.23 months	4 month debt and operating costs

**Comments:**

**Management Capacity**

*Pro:*

1. Trademark Communities LLC, a for-profit entity, currently manages a portfolio consisting of 187 affordable housing units.
2. Ross Management is an experienced property management firm with a number of senior apartment properties under management.

*Con:* None.

**Public/Private Commitment**

*Pro:*

1. Douglas County has indicated interest and support of the project by encouraging Fairweather to submit an application for their next application process in February 2008. In addition, the County has provided a letter of intent to provide CDBG funds in the amount of \$100,000.
2. Parker Senior Center and local recreational facilities are working with Fairweather to provide transportation, social, educational, and health needs for the tenants.
3. The initial staff review of this project was assessed at the tax credit value of \$.94 per credit. Upon final pricing of equity the tax credit equity is revised to \$0.915 per credit; therefore an additional gap of \$265,535 was created as a result. This additional gap will be funded by an additional deferred developer fee of \$165,534 and the CDBG funding of \$100,000.

*Con:* None

**Market Demand**

*Pro:*

1. A recent market study was conducted by The Highland Group on April 26, 2007 which indicates an unmet demand for affordable senior apartments in Douglas County. In addition, the study shows that the average rents for market-rate senior apartments are double the proposed market rents for the subject property. Also all senior apartment units of all types within the market area are at or near 100% capacity.

*Con:* None

**Explain Variances from ranges**

- The PUPA is below the range as a result of the waived real estate taxes. Inclusion of real estate

taxes in the PUPA calculation would place this PUPA in the DOH range.

- The DOH subsidy is lower than the range due to relatively high tax credit value and the relatively high rents (some at market rent) that allow greater debt service for this project.
- This project has a slightly higher than the range replacement reserve due the project design that uses multiple mechanical systems (for instance multiple elevators).

- **Other Projects funded in Douglas County Since 1/2007:** **County AMI:** \$71,400

- Developmental Pathways, Inc., \$312,000, HOME, #07-037 1/23/07
- Douglas County Housing Partnership, \$580,000, HOME, #08-015, 11/8/2007

- **Other Brothers Redevelopment, Inc. funded projects since 1/2007:**

**Staff Recommendation:** Full Funding

**Date of Meeting:** February 12, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

## Operating Proforma

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

**Name:** Boulder/Broomfield Counties  
Downpayment Assistance Program

**Project Number:** 08-039

**Project Manager & Address:** Kathy Fedler  
CDBG & Affordable Housing Programs Coordinator  
City of Longmont  
350 Kimbark Street  
Longmont, CO 80501  
(303) 651-8736  
(303) 651-8590 Fax  
kathy.fedler@ci.longmont.co.us

**Project Photo:**



**Project Address:** Boulder County (outside the City of Boulder) & Broomfield County

**Project Description:** The City of Longmont requests a grant of \$507,000 to continue the Boulder County Downpayment Assistance Program & to expand it into Broomfield County. The program would help 48 first-time homebuyers over a 2-year period. All buyers would be at or below 80% AMI, and would be required to attend CHFA-approved homebuyer classes as well as one-on-one counseling, all of which is provided by the Boulder County Housing Authority free of charge.

**PROGRAM BUDGET**

<b>Program Activities 2 years</b>	<b>Total Program Cost</b>	<b>State Funds Requested</b>	<b>Other Funds</b>	<b>Source</b>	<b>Status</b>
48 Downpayment Loans	720,000	458,900	261,100	Program Income	committed
First Mortgage Loans	7,200,000		7,200,000	Private Lenders	pending
General Salaries/Fringe	9,390		9,390	City of Longmont	committed
Operation	20,544	19,044	1,500	City of Longmont	committed
Other – Indirect	0	0	0		
Direct Program Staff	33,206	10,000	23,206	City of Longmont	committed
Loan Servicing	19,056	19,056			
Travel	320		320	City of Longmont	committed
<b>Totals</b>	<b>8,002,516</b>	<b>507,000</b>	<b>7,495,516</b>		

**PROJECT ASSESSMENT FOR DOWNPAYMENT ASSISTANCE**

<b>Criteria</b>	<b>Project Data</b>	<b>DOH Range</b>
<b>(b) Down Payment Financing</b>		
Value of Current Loan Portfolio	\$1,006,598	
Total # of Loans in Portfolio	77	
# of Deferred Loans in Portfolio	59	
Value of Loans Deferred until Sale or Transfer	\$481,788 48% of Portfolio Value	Up to 50% (100% can be deferred up to 5 yrs)
Annual Program Income	\$143,500 estimated for 2008 \$117,600 estimated for 2009	
Total # of New Loans	48 over 2 years	
New Loans from Program Income	#17 / 36%	
New Loans from CDOH Grant	#31 / 64%	
Homebuyers Equity	\$1,000 minimum	\$500 minimum

Maximum CDOH Loan Amount	\$15,000 or 8.5% of the purchase price, whichever is less.	4.5% - 8.5% of FHA Limit (up to \$29,675 in Boulder & \$26,211 in Broomfield)
Loan Terms & Rates	50%-80% AMI = 3% for 10 yrs <50% = deferred/due on sale, accrues 4% for 10 yrs	
Market		
Qualifying Household Income	\$43,500 - \$59,600	50%-80% AMI, 4 people
# of Affordable Homes For Sale	46 at or below \$187,000	Affordable at 80% AMI
Median price of homes for sale	\$370,288 sf \$211,485 condo	
Max. Purchase Price of Homes	\$349,125 in Boulder \$308,370 in Broomfield	FHA Limit
# of Applicants on Waiting List	2 under contract, 2 more approved & looking for homes	
Geographic Distribution of Projects vs. Population	Longmont – 72% loans, 43% pop Other – 28% loans, 57% pop	
Program Operations		
Administrative Cost/New Loan	\$1,322 – based on actual costs, not including loan servicing	\$300 – 500 per new loan or actual admin cost
CDOH Funding Eligibility	HOME	

#### Comments:

##### Management Capacity

##### Pro:

The City of Longmont has had a downpayment program since 1993, initially operated by the Colorado Housing Assistance Corporation (CHAC). In 1997, the City took over operations and expanded the program into the rest of Boulder County (except the City of Boulder). Since then, they have helped 366 households become homeowners, an average of 37 per year.

CDOH has awarded this program \$205,000 in 1997, \$265,000 in each of 1998 and 1999 and \$200,000 in 2001. Most of the last grant was returned in 2003, because during that contract they receive enough program income to meet the demand for their loans. The program income was generated by regular payments as well as payoffs from people who refinanced their first mortgage.

Over the history of the program, Longmont has foreclosed on only 7 loans, a rate of 1.9%.

Boulder County Housing Authority holds monthly, CHFA-approved homebuyer training classes – 671 potential homebuyers attended in 2007 alone.

##### Con:

Of the 77 existing loans, 5% are delinquent on about \$17,000 (2% of the portfolio's value).

#### Public/Private Commitment

##### Pro:

The City of Longmont will contribute \$34,416 of fresh CDBG or HOME funds to program administration, and they are not charging the program any indirect costs of operations.

##### Con:

Broomfield County is not making any financial contribution. Longmont agreed to wait to see how much demand there is for the program in Broomfield before requesting funds.

#### Market Demand

##### Pro:

According to the 2000 Census, Boulder & Broomfield Counties have 7,317 renter households earning between 51-80% AMI and living in substandard, over crowded or cost-burdened housing. The Boulder/Broomfield County HOME Consortium Strategic Plan reported in 2005 that less than one-third of renters could afford to purchase the median priced attached home in the area. In 2007, the only areas where the median price of attached homes was below \$200K were Lafayette, Longmont & Superior, plus rural areas. 2007 median prices for detached single-family homes started in Longmont around \$225K, but all the other areas were nearly \$300K or higher.

##### Con:

Downpayment assistance is also available through both CHFA's and the Denver Metro Mayors' Caucus' mortgage revenue bond programs.

Compared to the population distribution, relatively few loans have been made outside of the City of Longmont (28%). The program has increased its marketing efforts in the rest of the county, and clients do not need to travel to Longmont to apply. Also, there are very few affordable homes for sale outside of Longmont.

#### **Explain Variances from ranges:**

- Administrative costs are high, but are supported by a detailed staff allocation plan & operating budget. They represent about 10% of the program's budget (not including first mortgages).

#### **Other Projects Funded in Boulder County since 2/07:**

• 4/07 – Long's Peak Energy Conservation, grant	\$200,000
• 5/07 – Thistle/Fairways Apts., grant	\$199,000
• 6/07 – Safe Shelter, grant	\$250,000
• 6/07 – Eagle Place, loan	\$399,743
• 6/07 – Eagle Place, GEO / ESP grant	\$159,257
• 7/07 – LHDC/Lodge at Hover Crossing	\$400,000
• 8/07 – LHDC/CHDO Operating	\$75,000
• 12/07 – EFAA/Mixed Use Building	\$70,000

Other City of Longmont funded projects since 1/07: None

**Boulder County AMI: \$82,500**

**Staff Recommendation:** Full Funding

**Date of Meeting:** February 12, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			